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Weekly Hog Report

April 14, 2014

Over the last week there were more new cases of **Porcine Epidemic Diarrhea (PED)** identified in hog barns in Ontario. There are currently 52 cases confirmed in hog barns in Ontario, one in Manitoba, one in PEI, and also one in Quebec for a total of 55 PED cases confirmed in hog barns in Canada. A high traffic pig site in Manitoba also had a positive environmental sample last week, including the pigs at the site. Trace outs have occurred from the facility and no production sites have been identified as positive.

Cash Feeder Hog Prices

Last week North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were lower. Weighted average cash prices for iso-weans (12lb) were US\$86.34 per head, down US\$5.07 per head from US\$91.41 per head the previous week. Feeders (40lb) were US\$135.40 per head, down US\$3.74 per head from US\$139.14 per head the previous week.



Source: LMIC



Source: LMIC

Cash Slaughter Weight Hog Prices

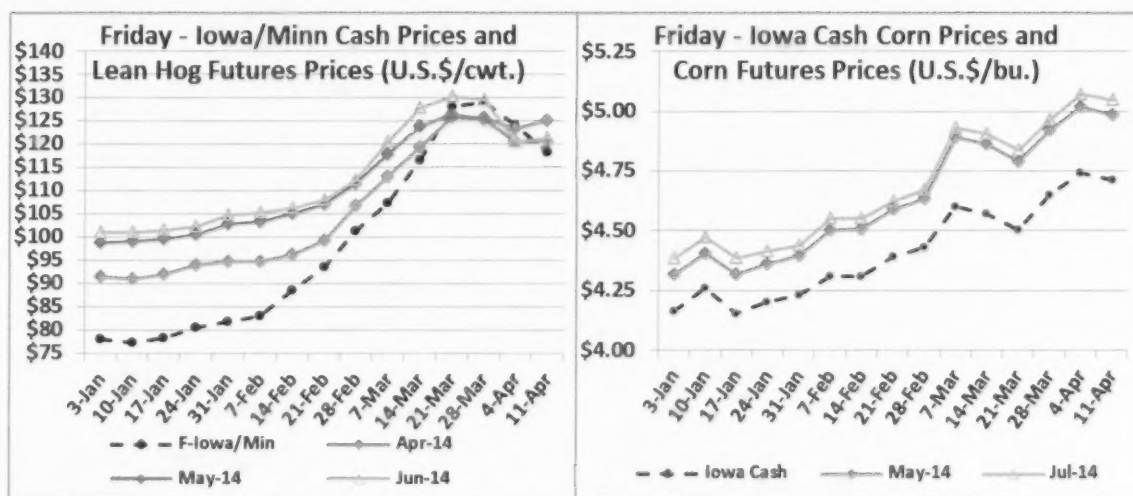
North American cash hog prices moved lower with pork cutout values last week. Hog prices (Iowa/Minn) on Friday averaged US\$118.37 per cwt, down US\$5.58 per cwt or 4.5 per cent from US\$123.95 per cwt the previous Friday. The negotiated base price for the week averaged US\$123.02 per cwt, down US\$4.72 per cwt for 3.7 per cent from US\$127.75 per cwt the previous week.

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday April 11, 2014 was \$240.04 per ckg, down \$18.46 per ckg or 7.1 per cent from \$258.50 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$246.95 per ckg, down \$12.49 per ckg or 4.8 per cent from the previous weeks' average price of \$259.44 per ckg. The Canadian dollar edged higher again last week closing the week at 91.08 cents, up slightly from the previous Friday's close of 91.07 cents.

Futures Markets

Lean hog futures prices were steady to higher last week. The April to June 2014 lean hog contracts increased between US\$0.100 and US\$1.775 per cwt, week-over-week. The nearby April contract increased the most at US\$1.775 per cwt to settle Friday at US\$124.925 per cwt. The Friday Iowa/Min average daily cash price was US\$118.37 per cwt, US\$6.56 per cwt lower than the April's futures price.

Prices for other United States nearby commodity futures were higher for gold and crude oil, but lower for corn, wheat and soybeans, week-over-week.



Source: CME

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Iowa cash corn prices and the nearby corn futures were lower over the week. The Iowa cash price on Friday was US\$4.71 per bushel, down 3 cents from US\$4.74 per bushel the previous Friday. The May corn futures contract was down over 3 cents to settle Friday at US\$4.985 per bushel, while the July contract was down almost 3 cents to settle Friday at \$5.045 per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week for the week ending April 11 were estimated at 2.020 million head, down 0.5 per cent from 2.030 million head a week ago, and down 2.8 per cent from 2.078 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks ending April 11 averaged 2.030 million head, down 4.9 per cent from 2.135 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending April 5, 2014 were estimated at 401,190 head, down 1.8 per cent from 408,542 head the previous

week, but up 4.3 per cent from 384,547 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending April 5 were estimated to average 405,287 head, up 2.2 per cent from 396,666 head over the same period a year ago.

Meat Production

U.S. pork production for the week ending April 12 was estimated at 432.6 million lb., down 0.3 per cent from 434.1 million lb. the previous week, but up slightly from 431.7 million lb. the same week a year ago. Pork production over the last four weeks ending April 12 was estimated to average 434.6 million lb., down 1.9 per cent from 443.2 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 12 was estimated at 453.7 million lb., down 2.0 per cent from 463.1 million lb. the previous week, and down 4.8 per cent from 476.6 million lb. over the same week a year ago.

For the week ending April 5, U.S. production of chicken was estimated at 906.5 million lb., up 7.3 per cent from 844.7 million lb. the previous week, and up 1.5 per cent from 893.4 million lb. during the same week a year ago.

Turkey production for the same week was estimated at 135.0 million lb., up 4.2 per cent from 129.5 million lb. the previous week, and up 2.7 per cent from 131.4 million lb. during the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 5, 2014, was estimated at 1.906 billion lb., down 1.5 per cent from 1.934 billion lb. over the same four weeks a year ago.

Cutout Values

The U.S. pork cutout values for the week ending April 12, 2014 averaged US\$127.17 per cwt, down US\$4.80 per cwt from the record price of US\$131.97 per cwt from the previous week, but up 56.0 per cent from US\$81.53 per cwt the same week a year ago.

Average beef cutout values (Choice 600-900 lb.) for the week ending April 12 averaged US\$225.50 per cwt, down US\$6.63 from US\$232.13 per cwt from the previous week, but up 18.3 per cent from US\$190.60 per cwt the same week a year ago.

Chicken values (breasts) for the week ending April 12, 2014 averaged US\$168.57 per cwt, up US\$4.50 per cwt from US\$164.07 per cwt the previous week, and up 10.0 per cent from US\$153.24 per cwt the same week a year ago.

Turkey (hens) values for the week ending April 12, 2014 averaged US\$100.29 per cwt, down US\$1.21 per cwt from US\$101.50 per cwt the previous week, and down slightly from US\$100.47 per cwt the same week a year ago. (Source: LMIC)

USDA World Agricultural Supply and Demand Estimates (WASDE)

On April 9 the USDA released the April World Agricultural Supply and Demand Estimates (WASDE). United States estimates for corn exports were increased by 125 million bushels leaving ending inventory 8.6 per cent lower than the March estimates to 1.331 billion bushels. The U.S. corn price estimate was narrowed ten cents to a price range of US\$4.40 to US\$4.80 per bushel. World ending corn stock estimates declined 0.3 per cent from the March estimates to 158.00 million metric tons.

Higher estimated U.S. soybean exports will reduce the U.S. ending soybean stocks 10 million bushels or 6.9 per cent from the March estimates to 135 million bushels. Average farm price estimates were estimated to narrow 50 cents and range from US\$12.50 to US\$13.50 per bushel. World ending soybean stocks are estimated to decline 1.7 per cent from the March estimates to end at 69.42 million metric tons.

The April USDA WASDE report estimated that United States Red Meat and Poultry production for 2014 will be 92.286 billion lb., a decrease of 0.9 per cent from the March estimates, and a 1.1 per cent decrease from 2013 production. Pork production estimates for 2014 were reduced 2.6 per cent from the March estimates and are now estimated to be 1.9 per cent below the 2013 production numbers due to the Porcine Epidemic Diarrhea virus in the United States. While 2014 U.S. beef production was revised slightly higher from the March estimates, beef production in 2014 will be down the most from 2013, compared to the other meats. United States meat production for 2014 is projected to decrease for pork (-1.9%), turkeys (-2.2%), and beef (-4.5%), but increase for broilers (+1.8%), from 2013 production.

USDA April World Agricultural Supply and Demand Estimates

Quarter		Million Pounds				Total Red Meat & Poultry
		Beef	Pork	Broiler	Turkey	
2013	I	6,172	5,777	9,144	1,459	22,743
	II	6,517	5,519	9,466	1,486	23,190
	III	6,608	5,624	9,683	1,440	23,564
	IV	6,420	6,278	9,537	1,420	23,844
	Annual	25,717	23,198	37,830	5,805	93,341
2014	I	5,860	5,785	9,275	1,325	22,432
	II*	6,280	5,370	9,725	1,400	22,979
	III*	6,325	5,520	9,825	1,450	23,322
	IV*	6,100	6,085	9,675	1,500	23,533
Annual	Mar. Proj.	24,540	23,360	38,700	5,700	93,092
Annual	Apr. Proj.	24,565	22,760	38,500	5,675	92,286
% Chg.	Mar.-Apr.	0.10%	-2.57%	-0.52%	-0.44%	-0.87%
% Chg.	2013-14	-4.48%	-1.89%	1.77%	-2.24%	-1.13%

Source: USDA April WASDE Report, Note (*) represents projections.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca